



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

May 1, 2013

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From: William T Fujioka
Chief Executive Officer *WTF*

SACRAMENTO UPDATE

Executive Summary

This memorandum contains reports on the following:

- **Pursuit of County Position to Support AB 1322 (Patterson).** This measure would reinstate the Senior Citizens and Disabled Citizens Property Tax Postponement Program to provide property tax deferment to seniors and disabled persons. Therefore, unless otherwise directed by the Board, consistent with existing policy to support resources for meeting the housing and related supportive service needs of special populations, including elderly, disabled, and mentally ill persons, **the Sacramento advocates will support AB 1322.**
- **Status of County-Advocacy Legislation.** Updates on the status of three County-opposed measures related to the Brown Act, the proposed shift of property taxes from counties to cities, and the arming of probation officers; and three County-supported measures related to the Veterans Housing and Homeless Prevention Act, the Armed Prohibited Persons System, and reimbursement for special elections.
- **Status of Legislation of County Interest.** A report on the status of three measures of significant interest to the County including legislation related to wireless telecommunication facilities, the Maywood Water Company, and the Greenway Initiative for the Los Angeles River.

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Pursuit of County Position on Legislation

AB 1322 (Patterson), which as introduced on February 22, 2013, would reinstate the Senior Citizens and Disabled Citizens Property Tax Postponement (PTP) Program to provide a property tax deferment for qualified seniors and disabled persons.

The Senior Citizens and Disabled Citizens PTP Program, originally enacted in 1977, allowed eligible homeowners to defer payment of all, or a portion of, the property taxes on their residences. Under the program, the State pays the property taxes owed to the County on behalf of the eligible homeowners as a low-interest State loan. The State loan is repaid, with interest, when the homeowner's property is transferred or sold, usually when the owner has passed away. Eligible participants of the program include individuals over 62 years of age and eligible blind and disabled persons, regardless of age. To participate in the program, claimants must have 20 percent equity in their homes and an annual household income of \$39,000 or less. AB 1322 would reinstate the PTP Program which was suspended in February 2009 due to the State Budget deficit.

AB 1322 would: 1) establish the Senior Citizens and Disabled Citizens PTP Fund (Fund) to pay the costs and disbursements related to the postponement of property taxes for eligible applicants; 2) require PTP loan repayments to be deposited directly into the Fund if they are not deposited into the program's impound account, and transferred to the Fund after a six-month period if they are deposited into the program's impound account; and 3) require funds in excess of \$10.0 million which accumulate in the Fund be transferred to the State General Fund and delete any further State General Fund appropriation for the PTP Program. The bill provides for an appropriation and would take effect immediately upon enactment of the FY 2013-14 State Budget Act.

According to the author of AB 1322, when the PTP Program was suspended in 2009, thousands of seniors and disabled Californians were left with nowhere to turn and were faced with having to choose between buying food and medicine or paying their bills to the State. AB 1322 would address this problem by reinstating the PTP Program. As reported in the April 22, 2013 Assembly Revenue and Taxation Committee analysis, since its inception in 1977, the PTP Program has provided assistance to more than 200,000 homeowners with Los Angeles County accounting for 21 percent of the program participants.

In 2011, the Legislature enacted AB 1090 (Chapter 369, Statutes of 2011), which established the County Deferred PTP Program for senior citizens and disabled citizens and allowed each county to elect to participate in the program. The County Deferred PTP Program was introduced in response to the negative impacts resulting from the

suspension of the State-administered PTP Program and to meet the needs of eligible, qualified claimants. Unlike the State-administered PTP Program, which was funded entirely through the State General Fund, the County Deferred PTP Program is completely self-funded with participating counties providing PTP loans with excess county funds. Under the County Deferred PTP Program, the property tax loans/deferrals and the interest accrued are secured by a tax lien against the underlying residential dwelling.

While AB 1090 provides a mechanism to offer much-needed financial assistance to help senior and disabled persons remain in their homes, as stated above, counties must elect to participate in the program; therefore, many low-income property owners are unable to receive this assistance. Los Angeles County does not participate in the County Deferred PTP Program because counties are not given priority lien status on property tax postponements under the program.

According to the Treasurer and Tax Collector (TTC), the proposed establishment of the PTP Fund under AB 1322 is a major improvement to the former PTP Program in that the Fund would allow the PTP Program to become a self-sustaining program. The TTC notes that, in the final two years of the State's previous PTP Program, approximately 1,100 County residents participated in the program.

The Assessor's Department indicates that prior to its suspension in 2009, the PTP Program was invaluable to many financially vulnerable senior citizens in Los Angeles County. The program made it possible for many seniors, who otherwise would have been financially compelled to move, to remain in their homes. According to the Department, AB 1322 would have no direct operational or fiscal impact on their operations.

AB 1322 is identical to ABX1 34 (Budget Committee) of 2011, which was vetoed by Governor Brown due to State Budget constraints and to **County-supported AB 1029 (Blumenfield) 2010**, which failed to move off the Assembly Appropriations Suspense File.

This office, the Treasurer and Tax Collector, and the Assessor's Department support AB 1322. Therefore, unless otherwise directed by the Board, consistent with existing policy to support resources for meeting the housing and related supportive service needs of special populations, including elderly, disabled, and mentally ill persons, **the Sacramento advocates will support AB 1322.**

AB 1322 is supported by: the California State Association of Counties; the California Association of County Treasurers and Tax Collectors; the California Association of

REALTORS; the Howard Jarvis Association; the Los Angeles County Office of the Assessor; the Marin County Board of Supervisors; and the Rural County Representatives of California. There is no registered opposition on file.

AB 1322 passed the Assembly Revenue and Taxation Committee, as amended, by a vote of 8 to 0 on April 29, 2013. This measure is currently on the Assembly Floor.

Status of County-Advocacy Legislation

County-opposed AB 185 (Hernández), which as amended on April 23, 2013, would require a local agency that collects a franchise fee from the holder of a State franchise that provides PEG channels to televise the open and public meetings of its legislative body and planning commission, or in cases of financial hardship, to broadcast the meetings via other audio or visual mediums, was held in the Assembly Local Government Committee on April 29, 2013 at the request of the author. This measure is now a two-year bill.

County-supported AB 639 (Pérez), which as introduced on February 20, 2013, would enact the Veterans Housing and Homeless Prevention Act to repurpose the Veterans' Bond Act of 2008 for the construction, rehabilitation, and preservation of multi-family and supportive housing for veterans and would be submitted for the November 4, 2014 General Election for voter approval, passed the Assembly Veterans Affairs Committee by a vote of 8 to 0 on April 30, 2013. This measure now proceeds to the Assembly Appropriations Committee.

County-opposed AB 741 (Brown), which as introduced on February 21, 2013, would increase the allocation of property tax revenues under a new Tax Equity Allocation formula for qualifying cities beginning in FY 2012-13 and make corresponding reductions in the amount of property tax revenue that is allocated to counties, was held in the Assembly Committee on Local Government without a hearing. This measure is now a two-year bill.

County-opposed AB 1040 (Wieckowski), which as introduced on February 22, 2013, would require the chief probation officer of each county to train and arm those probation officers and deputy probation officers who are assigned supervision of persons on probation or Post Release Community Supervision (PRCS) that are deemed high risk, was held in the Assembly Public Safety Committee on April 23, 2013. This measure is now a two-year bill.

County-supported SB 140 (Leno and Steinberg), which as amended on April 11, 2013, would appropriate \$24.0 million to the California Department of Justice

from the Dealers' Record of Sale Special Account for the limited purpose of addressing the current Armed Prohibited Persons System backlog, was signed by the Governor on May 1, 2013. The bill is an urgency measure and takes effect immediately.

County-supported SB 519 (Emmerson), which as amended on April 1, 2013, would require the State to reimburse counties for expenses incurred between January 1, 2012 and December 31, 2013, for certain special elections proclaimed by the Governor, passed the Senate Elections and Constitutional Amendments Committee by a vote of 5 to 0 on April 30, 2013. This measure now proceeds to the Senate Appropriations Committee.

Status of Legislation of County Interest

AB 162 (Holden), which as amended on April 23, 2013, would prohibit a local government from denying a request for modification of an existing wireless telecommunications facility that does not substantially change the physical dimensions of the facility and further require a local government to act on such a request within 90 days, was held in the Assembly Local Government Committee on April 29, 2013 at the request of the author. This measure is now a two-year bill.

AB 240 (Rendon), which as introduced on February 5, 2013, would declare the intent of the Legislature to encourage collaboration among the three separate mutual water companies that serve the City of Maywood, passed the Assembly Floor by a vote of 76 to 3 on April 29, 2013. This measure now proceeds to the Senate.

AB 735 (Gomez), which as amended on March 19, 2013, would have, until July 1, 2020, required the Secretary of the Natural Resources Agency to establish the Los Angeles River Rehabilitation Project Policy Committee, to collaborate with and establish a cooperative working relationship with public agencies that are affected by the project, and to consider all existing Los Angeles River rehabilitation plans in effect pursuant to the provisions of the bill, among other provisions, was amended on April 23, 2013.

As amended, the bill would establish the Statewide Greenway Initiative to promote development of the greenways along rivers in the State, including the development of a greenway along the Los Angeles River. The bill would also authorize a city, county, city and county, or other local government entity, upon approval of its legislative body by ordinance or resolution, or by incorporating such a designation into an adopted general plan element or adopted river master plan, to apply for public or private funding available for the development of greenways. The bill, as amended, no longer requires the establishment of the multi-agency policy committee to consider river rehabilitation

Each Supervisor
May 1, 2013
Page 6

plans and no longer references the Los Angeles County Flood Control Act. AB 735 passed the Assembly Water, Parks and Wildlife Committee by a vote of 11 to 3 on April 30, 2013. The measure now proceeds to the Assembly Appropriations Committee.

We will continue to keep you advised.

WTF:RA
MR:VE:IGEA:ma

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants